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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 000701

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TAGS: [PREL](#) [PGOV](#) [AM](#)

SUBJECT: SHAKING OUT THE POLITICAL LANDSCAPE

REF: A) YEREVAN 280 B) YEREVAN 662 C) YEREVAN 696

Classified By: DCM A.F. Godfrey for reasons 1.4 (b, d).

SUMMARY

¶1. (C) Armenia's governing coalition, now down to two official members, will be strengthened with the (informal) addition of the United Labor Party and the continued support of the People's Deputy Group. Current Deputy Speaker Tigran Torosyan (Republican) is looking ever more likely to fill the Speaker's position as of June 12, and key spoils from the withdrawal of Orinats Yerkir from the governing coalition are set to be split between the Republican Party, Armenian Revolutionary Faction (ARF, Dashnaks) and the United Labor Party (ULP). Although the ULP has not been a partner in the governing coalition, they are set to take on more responsibility and a higher profile. Some Orinats Yerkir defectors will be working with the Prosecutor General's as-yet-unregistered pro-Kocharian party, Union for Armenia. End Summary.

DE FACTO COALITION: ADD THE ULP

¶2. (C) National Assembly member (and major businessman) Gurgen Arsenyan and his six-man parliamentary faction have picked up a ministerial post (Minister of Culture, Hasmik Poghosian), one deputy minister (for labor and social issues), two deputy governors (Lori and Shirak), and the head of the National Assembly Commission on Defense (Artur Petrosyan). Although the Dashnaks and the Republicans invited the People's Deputy Group (PDG), with sixteen members (all oligarchs), to join the governing coalition, MPs Armen Rustamyan (ARF) and Grigor Ghonjeyan (ULP) each told us that the PDG had declined the invitation, arguing that they would continue to support the government, but that they didn't want to join the government officially for the final year before elections. The governing coalition itself will control 50 seats (of 131) outright in the National Assembly, and can expect consistent support from the ULP (6 seats) and the PDG (16 seats) as well as 15 of the 18 independent MPs -- for a clear majority of 87 out of 131 seats.

DIVIDING THE SPOILS: A SCORECARD

¶3. (C) According to Deputy Speakers of the National Assembly Torosian and Vahan Hovhanissian (Dashnak), the two remaining coalition partners will divide Orinats Yerkir's erstwhile posts roughly evenly. The Republicans will get the NA

speakership, the chairmanship of the NA Committee on Social, Healthcare and the Environment, and will fill one of the Deputy Speaker positions as well. The Dashnaks will pick up the Minister of Education (Levon Mkrtchyan) and a governorship (Gegharkunik). The various deputy minister positions will also be divided roughly evenly.

UNION FOR ARMENIA: IT PAYS TO BE PATRIOTIC

14. (C) Although Prosecutor General Aghvan Hovsepian has not yet formally registered his new party, he has been actively promoting it since early 2005 with splashy activities such as a ring-dance around Mount Aragats and a nation-wide tree-planting campaign. Members of the Prosecutor General's staff have complained to us about pressure to participate in party activities; a senior member of the anti-TIP taskforce, Bosnaghyan told us that the PG told him that he could expect rapid career advancement were he to support Hovsepian's political activities. Much of the People's Deputy Group and most of the eleven Orinats Yerkir defectors appear to be working with Hovsepian's Union for Armenia, as well.

15. (C) Hovsepian is still playing his cards close to his chest. He told the Ambassador at a May 19 luncheon that he had no plans at present to leave the procuracy. He acknowledged that his political grouping is gaining popularity, but said that it has no ideology and no political platform, only a plan for urban renewal, environmental protection and promotion of Armenia's cultural heritage.

COMMENT: GOVERNMENT IN NO DANGER OF LOSING HOLD

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15. (C) Despite the ministerial, regional government and NA committee personnel changes, we do not expect the government to have any difficulty in moving through any agenda items it chooses over the coming months. We do not expect that any of the "winners" in this current shakeout will be foolish enough to try to use their new positions to raise their public profiles beyond what the president and his closest advisors can tolerate -- and expect that Armenian policy on key issues will remain absolutely unchanged.
EVANS